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young business men and merchants are proud of their country and are inclined to be annoyed by visitors who confine their attention to the antiques and "quaint" sights of Bahrain, ignoring modern buildings and new enterprises. Graduates of Bahrain and foreign schools are go-ahead in their outlook and are determined to modernise Bahrain as much as possible; for this purpose they are willing to break with many of the traditions of the past, which are so often of interest to Europeans and Americans. Despite this, the young men of Bahrain appreciate meeting the foreigners who live in or visit their country.

CHAPTER III

THE STATE

BAHRAIN has been in treaty relations with the British Government since 1820. Its relations with the British Government and with other foreign governments are conducted through the British Political Agent in Bahrain. Bahrain is also the headquarters of the Political Resident in the Persian Gulf, who lives at Jufair.

The Head of the State is His Highness Shaikh Sulman bin Hamed al-Khalifah, K.C.M.G., K.C.I.E., who was born in 1894, the eldest son of the late Ruler, Shaikh Hamed bin' Isa al-Khalifah, K.C.I.E., C.S.I. He succeeded his father in 1942 and has three sons: Their Excellencies Shaikhs 'Isa, Khalifah and Muhammad, and seven brothers. Shaikh Sulman is the tenth Shaikh of the Khalifah family to rule in Bahrain since it was conquered by his ancestor Shaikh Ahmed bin Khalifah in 1782.

The form of government can be described as a benevolent autocracy; the Ruler governs his State through Arab and British officials, who are in charge of the various departments of State, and by means of councils and committees consisting of elected and nominated members representing the different communities. Shaikhs of the Ruling Family preside over many of the councils and hold posts in the administration.

The principal government departments are the Adviserate (The Secretariat), Customs, Education, Electricity, Finance, Judical, Lands, Police, Public Health, Public Works, Passports, Religious Endowments etc., etc. In the towns of Manama, Muharraq, Hedd and Rifaa there are municipalities; the first of these was established in Manama in 1920.

The revenue of the State is mainly derived from oil royalties, including payments on oil which is imported for refining, and from customs dues on imports. There is no income tax and no land tax but in the towns there is a small municipal tax on houses, shops and places of business. The revenue of the State for the year 1370 A.H. (October 1950—October 1951) was Rupees 25,155,700 (£1,866,000) and the estimated revenue for 1372 (September 1952—September 1953) is much greater owing to a revision of the oil payments by which the

S 648 with local rulers. These treaties place the native states virtually under British protection. The over-all direction of British relations with the various local countries is in the hands of the Political Resident in the Persian Gulf, who has his seat in Bushire on the Persian side of the gulf, and fulfills also the function of British Consul General in Bushire. Under him serve so-called Political Agents who are stationed in the various states on the Arabian side of the gulf. Administratively, the Political Residency is subordinated to the Government of India and its officials belong to the Indian Political Service. The basic British policy with regard to the Persian Gulf states is therefore determined by the India Office and not by the Colonial Office.

2. Relations with the Individual States.

B 648 [12] a. Bahrein. The British position in Bahrein is stronger than anywhere else in the gulf area. After the abandonment of Basra, in Iraq, as a British naval base in 1935, a new base was established on Bahrein Island. From the British standpoint the island is thus the strategic center for their position in the gulf. Treaty relations with the Sheikh of Bahrein were first established by the East India Company in 1820. The present relationship is based upon agreements of 22 December 1880 and 13 March 1892. (18) By these instruments the

18. India, Foreign and Political Department, A Collection of Treaties, Engagements and Sanads Relating to India and Neighbouring Countries, edited by C. U. Aitchison, vol. 11, Delhi, 1933 (quoted in the following as Aitchison), pp. 237-39.

Sheikh bound himself not to enter, without British consent, into any relationship with a foreign government other than the British. He further promised not to dispose of any part of his territory to anybody except the British government. As a result of these stipulations, which are very close to those contained in the treaties with Protectorate rulers, the foreign relations of Bahrein were brought under full British control. The treaties with Bahrein do not contain any clause expressly extending British protection to the country. Nevertheless, Bahrein can be regarded as a British-protected state enjoying a large degree of

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648 internal autonomy. (19)
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19. Cf. the note of Sir Austen Chamberlain to the Persian Minister in London, 15 January 1928, where Bahrein is referred to as being under British protection; League of Nations, Official Journal, 1928, p. 607.

It is further characteristic of the British relations with this and other Persian Gulf states that the British Government has reserved for itself by agreement the final decision with regard to the exploitation of the natural resources of the country, especially pearl
471 fisheries and oil. In a letter written in 1911 the Sheikh promised not
648 to give out any pearling concession without British consent. As far as oil deposits are concerned, the Sheikh undertook in a letter of 14 May 1914 not to exploit any possible oil deposits himself or to "entertain overtures from any quarter regarding the /i.e, the oil deposits/ without consulting the Political Agent in Bahrein and without approval of the High Government." With British consent a concession was actually granted to American oil interests in 1930. The Bahrein Petroleum Company was then formed which is at present owned by the Standard Oil Company of California and the Texas Oil Company.

Bahrein is the seat of the Political Agent for Bahrein, the
648 Assistant Political Agent, the Political Officer for the Trucial Coast, and the Publicity Officer in the Persian Gulf. From these British officials one has to distinguish the technical advisers of the Sheikh who are also British subjects but are not subordinated to the Persian Gulf Residency. They are state servants of Bahrein. Chief among them are the Political Adviser to the Government of Bahrein, the Collector of Customs, the State Engineer, and the Superintendent of Schools.

The position of Bahrein as an independent sheikdom under British protection has been challenged repeatedly by the Iranian government which claims sovereignty over the islands on historical grounds. Protests have been made to the British government intermittently since 1820. A lengthy exchange of notes between the two governments took place when in 1927 Iran protested against Article 6 of the Treaty of Jidda of 1927. There Bahrein had been referred to as a state in special treaty relations with the British government. Great Britain rejected Iran's claim and repudiated also the contention that Iranian sovereignty over the islands had been conceded by Lord Clarendon in